This management's discussion and analysis of American Manganese Inc. (the "Company") contains analysis of the Company's operational and financial results for the three-month period ended October 31, 2013. The following should be read in conjunction with the company's unaudited consolidated interim financial statements for the three month period ended October 31, 2013 which were prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") in effect as at July 31, 2012. All figures are in Canadian dollars unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the Company's future business plans and strategy, exploration plans, and environmental protection requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" (or "does not expect"), "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" (or "does not anticipate"), or "believes", and other similar words and phrases, or which states that certain actions, events, or results "may", "could", "might", or "will" occur. Forward-looking information is subject to known and unknown risks and uncertainties that may cause the actual results, or performance of the Company to be materially different from those expressed or implied by such forward-looking information. These risks and uncertainties include risk and uncertainties associated with the mining industry and the exploration and development of mineral projects, such as the uncertainty of exploration results, the volatility of commodity prices, potential changes in government regulation, the uncertainty of potential title claims against the Company's projects, and the uncertainty of predicting operating and capital costs. They also include risks and uncertainties that affect the business environment generally, such as international political or economic developments, changes in interest rates and the condition of financial markets, and changes in exchange rates.

Forward-looking information is based on assumptions and expectations which the Company considers to be reasonable, and which are based on management's experience and its perception of trends, current conditions, and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information. The Company can give no assurance that forward-looking information, or the assumptions and expectations on which it is based, will prove to be correct. American Manganese Inc. does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

DATE OF REPORT

The MD&A was prepared with the information available as at December 20, 2013.

NATURE OF BUSINESS AND OVERALL PERFORMANCE

Jurisdiction of incorporation and corporate name

The Company was incorporated under the *Company Act* (British Columbia) on July 8, 1987 as Navarre Resources Corporation. The Company changed its name to Ameridex Minerals Corp. on June 4, 1998, to Rocher Deboule Minerals Corporation on September 13, 2006, and to American Manganese Inc. on January 20, 2010.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta. The Company's shares presently trade on the TSX Venture Exchange under the symbol "AMY", on the Frankfurt Exchange under the symbol "2AM" and on the pink sheets under the symbol "AMYZF".

The Company has one wholly owned subsidiary, Rocher Manganese Inc., incorporated in the State of Nevada. Rocher Manganese Inc. manages the exploration work on the Company's Artillery Peak property.

The Company's head office is located at 2A-15782 Marine Drive, White Rock, British Columbia V4B 1E6.

Nature of business

The business of the Company is mineral exploration and development. The company's mineral projects are described below.

Preliminary Feasibility Study - Artillery Peak Project Update

In May 2012, The Company filed a preliminary Prefeasibility Study Report.

In August 2012, the Company was notified by the British Columbia Securities Commission BCSC that the Technical Report was deficient.

In September 2012, the Company filed amended technical report with the BCSC.

A summary from the amended technical report and the pre-tax financial model result is presented below:

Case	IRR (%)	NPV @ 0% ($US million)	NPV @ 5% ($US million)	NPV@8% ($US million)	NPV @ 10% ($US million)	Pay Back (Years)
Base Case: 3 Year Trailing Average Price	7.28	458.4	91.2	(22.9)	(74.4)	10.3
Alternate 1: CPM Expected Price Forecast	19.95	1360.0	641.5	402.9	289.4	4.6
Alternate 2: CPM Up-side Price Forecast	25.03	1895.3	940.0	623.2	472.3	3.9
Alternate 3: CPM Down-side Price Forecast	12.90	785.4	311.0	153.6	79.0	5.9
Alternate 4: 3 Year Trailing Average Price Reduced by 25%	N/A	(386.1)	(380.0)	(371.3)	(364.3)	N/A

As a result of the amended Base Case having negative NPV at an 8% discount rate, the project is deemed to be not economic. Accordingly, Section 15 of the Report was amended to show there are no mineral reserves for the Project that meet the CIM definition and consequently the mineral reserves for the Project were retracted. Section 16 of the Technical Report has also been amended to show the indicated resources within the open pit shell that have been used for planning purposes.

The project is most sensitive to the price of electrolytic manganese followed by operating costs and capital costs.As shown in the Report, the total amount of EMM produced over the life of the mine is estimated to be 994,499 tonnes (about 2.19 billion pounds). The average unit production cost of the EMM, after credits from by-product and on-site waste steam power generation, is shown below. The plan incorporates a low waste strip ratio (2.20:1) and higher grade (3.13% Mn) in the first 6 years of operation; followed by the second phase of mining ending in year 10 that has an average grade of 2.68% MN and a waste strip ratio of 2.17:1.

Cost Center	First 6 Year Average EMM Unit Production Cost	Average EMM Unit Production Cost
Mining	$0.175/lb	$0.201/lb
Processing	$0.720/lb	$0.751/lb
General & Administration	$0.052/lb	$0.051/lb
Surface Services	$0.012/lb	$0.012/lb
Total	**$0.959/lb**	**$1.015/lb**

The initial capital cost is estimated at $477 million, and would be mostly spent over the 2 year engineering, procurement and construction period. The sustaining capital over the contemplated mine life is estimated at approximately $60 million. Allowances for end of mine life expenditures for waste re-handling, site reclamation, and plant salvage have been made totaling about $47 million.

The Report is based on geological work and drilling performed by the Company under the supervision of N. Tribe & Associates Ltd. Tetra Tech developed a geological block model for that portion of the deposit located along the northeast flank of Manganese Mesa that is most amenable to surface mining. The geological block model contains Indicated and Inferred resources estimated as follows:

Category	Cut-off (%Mn)	Tonnes (Millions)	Grade (% Mn)
Indicated Resource	0.5	65.7	2.2
Inferred Resource	0.5	20.4	2.5

From this starting point, a mining plan was developed using waste haul back open pit mining techniques. The open pit has been designed to achieve a mine life of 21 years, and is estimated to contain a Probable Reserve of 45 million tonnes grading 2.46 % Mn. The average stripping ratio (waste tonnes: ore tonnes) is estimated at 2.46:1. A unique feature of the design is that most of the waste rock is disposed of within the mined out areas of the open pit as they become safely available; which minimizes land surface disturbance and hauling costs, while facilitating progressive site reclamation.

The mine production schedule is designed to produce about 50,000 tonnes of electrolytic manganese metal (EMM) annually from a processing plant capable of treating 7,000 tonnes of feed per day. Hydraulic front shovel and rubber-tire front end loading units are matched with 150 tonne mechanical drive haul trucks to provide the back bone of the mining fleet. Drilling, ancillary and support equipment are allocated to meet the requirements of the production schedule.

In May 2012 the Company announced the new contribution agreement with the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP). With this contribution agreement in place, the Company retained Kemetco Research Inc. to undertake research in the production of an improved lithium manganese dioxide.

In October 2012 the Company completed successful production of working lithium ion battery prototypes utilizing chemical manganese dioxide (CMD) generated from Artillery Peak material. These prototypes (button cell batteries) are for test purposes only.

Producing working prototype lithium ion batteries represents a key breakthrough for American Manganese in the continuing development of the Company's patented hydrometallurgical process. CMD manufactured with this process eliminates electro winning and the need for any mechanical means of size reduction for the final product.

In December 2012, the Company reported that it has developed a low-cost, environmentally friendly hydrometallurgical process to recover manganese (Mn) from this Manganese Oxide resource located in Arizona , USA. The Company has applied for a patent for their hydrometallurgical process that produces electrolytic manganese metal from this Manganese Oxide deposit, with low energy and water consumption. As a development of the existing process, American Manganese has commissioned this research to determine uses of Artillery Peak manganese resource material to generate high value alternative products. Chemical manganese dioxide (CMD) and lithiated manganese oxide ($Li_xMn_2O_4$) for use in rechargeable batteries were the areas researched.

The research was successful in producing CMD from Artillery Peak resource material with low cation impurities and further avoiding processing steps that are known to introduce metallic impurities in the final product. Cation impurities cause capacity fade, whereas metallic impurities are known to cause catastrophic failures such as fire and explosions in lithium ion batteries. Working rechargeable lithium ion coin cell battery prototypes were produced from the CMD material.

The company received a report describing the results of this research project contracted by American Manganese to Kemetco Research Inc. The test program was partially funded by the Canadian Government through the National Research Council, Industrial Research Assistance Program (NRC-IRAP) for development work conducted over a five month period.

Patent Application Update

In February 2013, the Company reported that the Company has received the "Notice of Allowance" from the United States Patent and Trade Mark Office for the Company's manganese recovery process. The "Notice of Allowance" is formal documentation indicating that the examination of the invention has been completed by the US Patent and Trademark Office and allowed for issuance as a patent. The Company's attorney completed documentation and submitting fees for formal issuance of the US Patent. "Allowance of this patent is a significant milestone for the Company as the invention is now secured as a key asset that can be exclusively capitalized." The invention is a technical break-through as it enables the recovery of manganese from these low grade multiple surface Manganese Oxide deposit with significantly less energy and environmental impact than conventional processing methods.

In June, 2013 the Company announced that it has received the **"US Patent No. 8460681"** from the United States Patent and Trade Mark Office for the Company's manganese recovery process

Artillery Peak Project, Arizona USA

The Artillery Peak project includes 100 unpatented mineral claims covering approximately 2,066 acres, 36 patented mineral claims covering approximately 698 acres, and 8 fee simple parcels covering 1,280 acres.

In 2012 the Company purchased 639.81 acres of patented surface, from local owners and real property holders embracing the reserved patented surface estates on 34 patented mining claims.

The remaining claims were acquired pursuant to the agreements described below.

Purchase Agreement with Primus Resources, L.C.

Pursuant to a Purchase Agreement dated May 31, 2007, the Company purchased 90 unpatented lode claims from Primus Resources, L.C. for US$96,000 and 1,000,000 shares in the Company. The Purchase Agreement also provides for a 2% net smelter return royalty ("NSR") in favour of the Vendors. The Company has the right to repurchase 1% of the NSR for US$2,000,000.

Mining Lease and Option Agreements with David Huffman

Pursuant to a further Mining Lease and Option to Purchase Agreement dated July 15, 2008, the Company agreed to lease 18 patented claims and four unpatented claims from David Huffman for a term of 10 years. The agreement provides for annual payments of US$20,000, and the Company has an option to purchase the claims for an initial purchase price of US$2,225,000, increasing by 2% each year. The Company must exercise the option to purchase prior to commencing commercial mining operations on the property. During the fiscal year, the Company terminated the mineral lease and option agreements writing off Maggie Canyon lease $10,000 per year and retained the Huffman Priceless lease at $20,000 per year.

Lease Agreement with James Lake, Barton Noone, and Peter Noone

On August 8, 2013, the Company and the Lessors entered into a "Stand Still Agreement" whereby the Lessor's agreed to waive and extinguish the advance minimum royalty payments that were scheduled to be paid within calendar year 2013 and 2014. As provisioned for within the underlying lease agreements the payments which were due during these two years are referenced as the 5th and 6th Anniversary Payments (see below). Application of this Stand Still Agreement additionally included the annual Grant of Manganese Payment provisioned for within Section 2 of the Grant of Manganese Agreement consummated by the Company and James L. Lake on August 1, 2008.

Pursuant to the Artillery Peak Agreement dated August 1, 2008, the Company acquired a lease over five fee simple parcels and 10 patented claims from James Lake, Barton Noone, and Peter Noone. The lease has a 10 year initial term and provides for the following payments:

(i) US$60,000 upon execution of the lease (paid)
(ii) US$80,000 upon 1st anniversary of the lease (paid)
(iii) US$100,000 upon 2nd anniversary of the lease (paid)
(iv) US$120,000 upon 3rd anniversary of the lease (paid)
(v) US$140,000 upon 4th anniversary of the lease (paid)
(vi) US$160,000 upon 5th anniversary of the lease (waived and extinguished)
(vii) US$180,000 upon 6th anniversary of the lease (waived and extinguished)
(viii) US$200,000 upon 7th and each subsequent anniversary of the lease

The leased properties are also subject to a royalty of US$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals. The lease payments described above constitute an advance on any royalty payments due to the lessors. The lease is renewable for up to 8 additional ten year terms provided that royalty payments of at least US$500,000 are made during each preceding term.

Payment waiver and extinguishment
Subsequent to the year ended July 31, 2013, James Lake, Barton Noone and Peter Noone agreed to waive and extinguish the required 5th year anniversary and 6th year anniversary payments. The Company still intends to explore the property and will pay all ad valorem taxes on the property as well.

Mining Lease Agreement with Arizona Manganese Corporation

Pursuant to a Mineral Lease Agreement dated September 29, 2009, the Company acquired a lease over 43 patented mining claims from Arizona Manganese Corporation. During the initial 20 year term, the Mineral Lease Agreement provides for payments equal to the greater of a 2.25% NSR and the following annual amounts:

(i) US$50,000 in year one (paid);
(ii) US$55,000 in each of years 2 through year 4; (paid years 2-4)
(iii) US$65,000 in each of years 5 through year 10;
(iv) US$70,000 in year 11 and each year onwards.

In September, 2013 the Company executed the termination of the agreement as provisioned for within Section 11.2 of the underlying lease agreement.

Lease Agreement with James Lake and Steven Lake

Pursuant to a Lease Agreement dated March 15, 2010, the Company leased three fee simple parcels and one patented claim from James Lake and Steven Lake. The Lease Agreement provides for the following annual payments:

(i) $14,000 US upon execution of the Lease Agreement (paid)
(ii) $18,000 US upon 1st anniversary of the Lease Agreement (paid)
(iii) $22,000 US upon 2nd anniversary of the Lease Agreement (paid)
(iv) $26,600 US upon 3rd anniversary of the Lease Agreement (paid)
(v) $46,500 US upon 4th anniversary of the Lease Agreement
(vi) $53,100 US upon 5th anniversary of the Lease Agreement
(vii) $59,700 US upon 6th anniversary of the Lease Agreement
(viii) $63,300 US upon 7th and each subsequent anniversary of the Lease Agreement

The leased properties are also subject to a royalty of US$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals. The lease payments described above constitute an advance on any royalty payments due to the lessors. The lease is renewable for additional ten year terms provided that advance royalty payments as described above continue to be made.

The lease agreement for this property was signed by only two of the three property owners. As a result, the Company has paid only two-thirds of the above payments. The lease agreement provides for a royalty of US$0.04/lb for manganese, and a net smelter return royalty of 1.5% on all other minerals.

2011 Mesa and Maggie acquisitions

In 2011, the Company entered into 4 agreements to acquire a 100% 123.96 acres of reserved patented surface estates on 6 patented mining claims adjacent to the other Artillery claims. The total acquisition cost for these claims was $81,230 US dollars, and the Company has no further obligations with respect to these claims.

2011 Rudy, Muroc, Maggie and Shannon acquisitions

In 2011, the Company entered into an additional agreement to acquire 100% of 515.85 acres of reserved patented surface estates on 28 patented mining claims adjacent to the other Artillery claims. The total acquisition cost for these claims was $220,000 U.S. dollars, and the Company has no further obligations with respect to these claims.

Additional Royalty Obligations

In addition to the royalty and other payments listed above, the Artillery Peak properties are subject to the following royalty interests, which arise under "area of interest" agreements with the vendors of certain of the properties:

(a) Primus Resources, L.C. is entitled to a 2% net smelter return royalty on all of the Company's other unpatented claims, in addition to those acquired from Primus Resources, L.C.

(b) James Lake, Barton Noone, and Peter Noone are entitled to a royalty of US$0.04 per pound of manganese produced from all of the unpatented claims of the Company, apart from the four unpatented claims optioned from David Huffman; and

(c) James Lake is entitled to a royalty of US$0.01 per pound of manganese produced from all of the Company's Artillery Peak Properties described above.

Exploration Activities

In September 2012, the Company completed and filed Prefeasibility Study Technical Report and NI 43-101 compliant Technical Report has been filed with the regulators on SEDAR filing service at www.sedar.com.

Rocher Deboule property, British Columbia

The Rocher Deboule property consists of mineral claims covering 10,230 hectares near Hazelton, British Columbia. The Company initially acquired 4 staked claims of 1,325 hectares in May 2001, and expanded the area of the property through additional staking. The Company owns a 100% interest in the Rocher Deboule property.

The Company has obtained a NI 43-101 report on the Rocher Deboule property prepared by A.A. Burgoyne, P. Eng., M.Sc., dated December 18, 2007. A copy of the report is also available on the SEDAR filing service at www.sedar.com.

In August 2011, the Company conducted a mapping and sampling program at the Rocher Deboule property.
The program entailed 22 km of ground magnetometer survey, 841 soil samples, 455 rock samples and 68 silt samples. The fieldwork carried out in 2012 focused on 3 areas of Cu-Ag-Au bearing mineralization.

In November 2012, the Company reported that the Geological fieldwork returned encouraging Cu-Ag-Au geochemical values at the Rocher Deboule project upper silvertip CK basin stockwork, lower silvertip CK No 2 & 4 veins and a new Iron Oxide Copper Gold ("IOCG") target south of the historic Victoria vein mine. The results of the program were reported in the Company's press release dated November 20, 2012, a copy of which is available on the SEDAR filing service at www.sedar.com.

Lonnie property, British Columbia

The Lonnie property is a niobium exploration property. The property covers approximately 3,477 hectares in the Omineca Mining Division of British Columbia. The Company initially staked mineral claims covering an area of approximately 692 hectares. In October 2007, the Company acquired additional claims covering approximately 2,735 hectares at a cost of $10,000 and 100,000 shares of the Company.

In September 2010, the Company conducted a geochemical prospecting program on the Lonnie-Virgil occurrence. The results of the program were reported in the Company's press release dated October 1, 2010, a copy of which is available on the SEDAR filing service at www.sedar.com.

In May 2011, the Company entered into an option agreement with Rara Terra Capital Corp. ("Rara Terra") where Rara Terra has the right to earn a 60% interest in the Lonnie property in exchange for a cash payment of $60,000 ($24,603 paid) and issuance of 285,000 common shares of Rara Terra (150,000 received). To acquire the 60% interest, Rara Terra must also spend $500,000 in exploration expenditures on the property.

In 2012, the Company and Rara Terra agreed to amend the amount due on the first anniversary from $20,000 to $4,603 in light of the additional costs incurred by Rara Terra in exploring the property during the year.

In September 2011, Rara Terra commenced a trenching and sampling program on the Property. A total of 876 soil samples were collected and analyzed. The results are encouraging, especially for three strongly anomalous zones returning up to 8467 ppm total Rare Earth Elements + Yttrium (TREE+Y) being delineated along a consistent five kilometre long NW trend. Additional anomalous zones have also been located, generally along the same strike trend, and could prove to be extensions of the known zones. Where warranted, anomalies will be followed-up by trenching and drilling programs to begin later this year.

In April, 2013 Rara Terra terminated the option agreement and transferred all claim blocks to the Company. The

Company owns a 100% interest in the property.

Pond property, British Columbia.

The property is a magnesium exploration property. The property covers approximately 913 hectares located in the Golden Mining Divisions of British Columbia. The two claims were acquired during the fiscal year ended July 31, 2008 by the Company for a cash consideration of $10,000 and by issuing 50,000 common shares of the Company. The Company owns a 100% interest in the Pond Magnesium claims. The Company does not yet have a NI 43-101 report on the properties, and has not yet conducted any exploration work on the properties. In 2013, the Company wrote down the capitalized expenditures and no longer has stake in the abovementioned mineral claims.

SoCal property, California

In May 2011, the Company entered into a purchase agreement with Elemental Solutions, LLC as to 50% and Lodestar Management Group, LLC as to 50% to purchase a 100% interest in the SoCal manganese unpatended lode mining claims in Imperial County and Riverside, California. The total purchase price was US$20,000 and 200,000 shares of the Company. The property is subject to a 2% net smelter returns royalty, of which the Company has the right to repurchase 1% for US$2,000,000. In July 2013, the Company wrote down all capitalized expenditures and terminated the purchase agreement.

CONVERSION TO IFRS

The Company adopted IFRS on August 1, 2011, with the conversion date of August 1, 2010 representing the date of the Company's opening IFRS balance sheet. As required by IFRS 1, *First-time Adoption of IFRS*, the Company will apply the IFRS in effect as at July 31, 2012 on a full retrospective basis, except where permitted or required under an IFRS 1 exemption.

SELECTED ANNUAL INFORMATION

The following table shows total revenues, loss, assets, liabilities, and shareholders' deficiency for each of the five most recent fiscal years of the Company. The results of operations from years 2008 to 2010 are stated in accordance with Canadian GAAP and have not been updated to IFRS.

	2013	2012	2011	2010	2009
(a) Total Revenues	$ 2,152	$ 41,546	$ 23,271	$ 331	$ 2,644
(b) Loss:					
i) In Total	$ 2,879,361	$ 5,616,703	$ 2,600,568	$ 1,389,954	$ 1,689,811
ii) On a per share basis[1]	$ 0.03	$ 0.05	$ 0.03	$ 0.03	$ 0.04
(c) Total Assets	$ 9,899,158	$11,995,354	$14,756,126	$ 4,850,330	$ 3,744,793
(d) Total Liabilities	$ 706,706	$ 536,958	$ 384,583	$ 123,952	$ 428,409
(e) Total Accumulated Deficit	$(21,300,441)	$(18,421,080)	$(12,804,377)	$(10,204,073)	$(9,022,973)

[1] *Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive*

RESULTS OF OPERATIONS

Net loss for the fiscal year ended July 31, 2013 was $2,879,361, compared to $5,616,703 for the previous fiscal year. The Company does not generate revenue from operations, and has no revenues other than interest earned on the Company's balances of cash and cash equivalents. Accordingly the decrease in the Company's net loss for the fiscal year ended July 31, 2013 was principally due to the decrease in the Company's administrative and operating expenses, including decreased consulting fees, shareholder communications expenses, share-based compensation, and research and development expenses.

The Company recorded a net cash flow decrease of $173,104 (2012 – ($561,033)). The decrease in net cash flow is principally a result of lack of equity financing.

SELECTED QUARTERLY INFORMATION

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter Ended:	**31-Oct**	**31-Jul**	**30-Apr**	**31-Jan**	**31-Oct**	**31-Jul**	**30-Apr**	**31-Jan**
Year:	**2013**	**2013**	**2013**	**2013**	**2012**	**2012**	**2012**	**2012**
Total Revenues	$50	$ 1080	$ (1,142)	$31	$2,183	$ 16,760	$ 1,142	$13,028
Loss in Total	$55,110	$1,895,212	$84,511	$389,691	$509,947	$564,940	$1,325,624	$2,984,701
Per share basis[1]	$0.0006	$0.01	$0.0007	$0.004	$0.005	$0.005	$0.01	$0.03

[1] Fully diluted loss per share amounts have not been calculated as they would be anti-dilutive

Analysis of income statement items for the three month period ended October 31, 2013

Net loss for the three month period ended October 31, 2013 was $55,110, compared to net loss of $509,947 for the prior year three month period. The decrease in Company's net loss for the three-month period ended October 31, 2013 was principally due to reduced business activity and lack of financing.

During the three-month period ended October 31, 2013, the Company recorded $nil (2012 – $47,755) for consulting fee.

During the three month period ended October 31, 2013, wages and benefits of $22,846 (2012 – $217,989) was recorded wages and benefits to officers, and employees. The reduction in wages and benefits is due to employment terminations and reduced administration activity due to lack of financing.

Analysis of balance sheet items for the three month period ended October 31, 2013

Cash and cash equivalents decreased from $54,396 as at July 31, 2013 to $16,275 as at October 31, 2013 principally as a result of lack of private placement financings and capital project expenditures.

Receivables from related parties increased slightly from $167,603 to $168,001 as at October 31, 2013. The Company is in the process of collecting the related party amount.

Exploration and evaluation assets increased from $9,594,517 to $ 9,596,391 as at October 31, 2013. Additional information on this item is given below under "Analysis of mineral property costs".

Analysis of Mineral Property Costs

The following table shows a breakdown of the Company's capitalized exploration and development costs for the three month period ended October 31, 2013, fiscal year ended July 31, 2013 and fiscal year ended July 31, 2012.

	Balance July 31, 2012	Expenditures	Translation adjustments	Balance July 31, 2013	Expenditures	Translation adjustments	Balance October 31, 2013
Rocher Deboule property, British Columbia							
Acquisition and staking	$ 164,452	$ -	$	$ 164,452	$ -	$	$ 164,452
Assays & analysis	72,755	1,013		73,767	-		73,767
Camp & supplies	59,504	-		59,504	-		59,504
Drilling	146,826	-		146,826	-		146,826
Geological and geophysical	553,547	2,100		555,647	-		555,647
Geologist travel and accommodation	20,214	982		21,197	-		21,197
Freight and transport	97,638	-		97,638	-		97,638
BC Mining Exploration Tax Credit	(258,594)	-		(258,594)	-		(258,594)
	$ 856,343	$ 4,095	$	$ 860,438	$ -	$	$ 860,438
Lonnie property British Columbia							
Acquisition and staking	$ 54,121	$ 0.0	$	$ 54,121	$ -	$	$ 54,121
Assays & analysis	4,528	0.0		4,528	-		4,528
Drilling	60,073	0.0		60,073	-		60,073
Geological and geophysical	45,915	0.0		45,915	-		45,915
Geologist travel and accommodation	186	0.0		186	-		186
Mineral property option	(56,000)	0.0		(56,000)	-		(56,000)
BC Mining Exploration Tax Credit	(28,480)	0.0		(28,480)	-		(28,480)
	$ 80,343	$ 0.0	$	$ 80,343	$ -	$	$ 80,343
Pond property Bristish Columbia							
Acquisition and staking	$ 18,574	$ (18,574)	$	$ -	$ -	$	$ -
	$ 18,574	$ (18,574)	$	$ -	$ -	$	$ -
SoCal property California							
Acquisition and staking	$ 150,741	$ (150,741)	$	$ -	$ -	$	$ -
	$ 150,741	$ (150,741)	$	$ -	$ -	$	$ -
Artillery Peak property Arizona							
Acquisition and staking	$ 2,377,495	$ 169,479	$ (70,094)	$ 2,476,880	$ 14,000	$ (3,471)	$ 2,487,409
Assays & analysis	318,533	10,750	(4,446)	324,837		(455)	324,382
Drilling	2,173,445	460,482	(190,448)	2,443,479		(3,424)	2,440,055
Equipment and rentals	9,377	(177)	73	9,273		(13)	9,260
Geological and geophysical	3,815,206	(37,757)	15,616	3,793,065		(5,315)	3,787,750
Geologist travel and accommodation	215,633	(59,085)	24,437	180,985		(254)	180,731
Property maintenance	77,090	(77,090)	31,883	31,883		(45)	31,838
Other fieldwork		6,258	(2,588)	3,670		(5)	3,665
Impairment		(1,040,789)	430,454	(610,335)		855	(609,480)
	$ 8,986,779	$ (567,929)	$ 234,887	$ 8,653,737	$ 14,000	$ (12,126)	$ 8,655,611
Total	$ 10,092,779	$ (733,149)	$ 234,887	$ 9,594,517	$ 14,000	$ (12,126)	$ 9,596,391

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2013 the Company had a cash and cash equivalent balance of $16,275 and working capital deficiency of $507,678, compared to a working capital deficiency of $436,527 as at July 31, 2013. The decrease in the Company's cash balance and working capital resulted from lack of private placements and continued expenditure on operations and advancement of Company's project.

During the three month period ended October 31, 2013 , there were no warrants or options exercised.

In July 2013, the Company issued 266,000 shares for $13,300 debt settlement with Steven Lake in connection with property lease payment agreement.

On June 8, 2011, the Company issued 200,000 shares on acquisition of the SoCal property. The shares issued were valued at their trading price on the agreement date, for a total value of $112,000.

In April, 2013 the Company closed its private placement raising $150,000 issuing 3,000,000 shares at a price of $0.05 per unit. Each Unit is comprised of one common share in the capital of the plus a two year share purchase warrant. Each Warrant entitles the holder to purchase one Share at a price of $0.10 two years from the date of issuance, subject to accelerated exercise if the Shares trade at $0.15 per Share for 20 consecutive days.

During the fiscal year ended July 31, 2012, 3,234,942 warrants were exercised for proceeds of $1,006,850 and 53,000 stock options were exercised for proceeds of $19,228.

The proceeds from the private placements and warrants are being used principally to advance the development of the Artillery Peak Property Group and for general corporate purposes.

In August 2011, the Company announced that the board of directors has authorized the grant of 4,253,000 incentive stock options pursuant to its stock option plan to directors, officers, employees and consultants of the Company. These options are exercisable at a price of $0.58 per share for a period of five years and are subject to vesting provisions in accordance with the Company's stock option plan.

In June 2012, the Company granted 700,000 incentive stock options pursuant to its Stock Option Plan to Director, Jan Eigenhuis, who joined the board of directors May 17, 2012. These options are exercisable at a price of $0.10 per share for a period of five years and are subject to vesting provisions in accordance with the Company's Stock Option Plan.

The Company currently has reduced staff and discretionary expenses to preserve cash.

Excluding exploration costs, the Company's current general and administrative cash expenditures are approximately $18, 000 per month.

The Company is investigating sources of further funding, and anticipates raising additional funds in the next fiscal year. The Company also anticipates that it will continue its exploration program on the Artillery Peak property group as well as focusing additional resources on other aspects of the development of the Artillery Peak Property Group, metallurgy and feasibility studies. The Company does not generate revenue from operations, and has been dependent upon its ability to raise equity capital through the issuance of shares to pay ongoing operating expenses and the costs associated with its exploration and development activities.

USE OF PROCEEDS FROM FINANCINGS

Date of financing and planned use of proceeds	Actual use of proceeds
April 22, 2009 Financing: $162,500 $162,500 to be used towards general working capital	All funds have been applied as planned
June 12, 2009 Financing: $1,034,580 $604,580 to be used towards general working capital $430,000 towards property maintenance, exploration and metallurgy expenditures	All funds have been applied as planned
February 16, 2010 Financing: $1,193, 919 $743,919 to be used towards general working capital $450,000 towards property maintenance, exploration and metallurgy expenditures	$743,919 was spent on general working capital. $450,000 was spent on exploration and metallurgy
June 16, 2010 Financing: $1,014,900 $281,920 to be used towards general working capital $150,000 towards geology and drilling $50,000 towards metallurgy testing and process design $220,000 for upcoming BLM fees and option payments to patent holders	$193, 253 was spent on general working capital. $146, 000 was spent on exploration and metallurgy. $50,000 has been spent on metallurgy testing. $220,000 has been spent to pay for BLM and option payments.
August 10, 2010 Financing: $412,231 $412,231 to be used towards general working capital	All funds committed to general working capital
February 10, 2011 Financing: $4,178,089 $2,850,000 to be used towards pre-feasibility, pilot plant, drilling, baseline environmental work $1,343,088 to be used towards general working capital.	All funds committed as per plan
March 8, 2011 Financing: $5,040,000 $1,500,000 to be used towards advancing the pre-feasibility study and pilot plant testing. $980,000 towards advanced environmental and metallurgy studies. $2,560,000 to be used towards general working capital.	All funds committed as per plan
April 22, 2013 Financing: $150,000 $150,000 to be used towards general working capital	All funds committed as per plan

OUTSTANDING SHARE DATA

As at October 31, 2013 the Company had 111,492,547 common shares issued and outstanding. As at the date of this report, the Company has 111,492,547 common shares issued and outstanding.

As at October 31, 2013, the Company also had outstanding share purchase warrants to purchase 16,777,461 common shares of the Company at an average price of $0.29 per share. 1.990,174 warrants entitled the holder to acquire one additional common share at an average price of $0.25 per share expired without exercise.

As at October 31, 2013, the Company had outstanding share option to purchase 8,070,333 common share of the Company at an average price of $0.28 per share. During the three month period ending October 31, 2013, 2,571,234 options expired without exercise.

The following table shows information relating to the Company's outstanding stock options.

Stock options granted

	For the period ended October 31, 2011	**For the period ended July 31, 2011**	**For the period ended July 31, 2010**	**For the fiscal year ended July 31, 2009**	**For the fiscal year ended July 31, 2008**
Dividend yield	0%	0%	0%	0%	0%
Expected volatility	121%	140.3%	147.7%-153.8%	162.94%	173.35%
Risk-free interest rate	1.24%	2.00%	2.76% - 2.79%	2.76%	4.08%
Pre-vest forfeiture rate	1.92%	2.11%	2.36-3.32%	0%	0%
Expected lives	5 years	5 years	5 years	5 years	3 years

In December 2010, the Shareholders of the Company passed the adoption of a Shareholders' Rights Plan Agreement. The Rights Plan has been adopted to ensure the fair treatment of all American Manganese shareholders in connection with any possible future take-over bids for the outstanding common shares of the Company. The Rights Plan will provide shareholders with adequate time to properly evaluate and assess a take-over bid without facing undue pressure or coercion. The Rights Plan is similar to the plans adopted by other Canadian companies.

In January 2013 the Company received TSX Venture Exchange approval to extend the expiry date of the following warrants:

<u>Prospectus Unit Offering:</u>

# of Warrants (not including Agents Warrants):	**13,827,461**
Original Expiry Date of Warrants:	February 9, 2013
New Expiry Date of Warrants:	**February 9, 2013**
Exercise Price of Warrants:	$0.40

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have material off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

a) Investment in subsidiaries

The wholly owned subsidiary of the Company has been incorporated in the USA and is included in these consolidated financial statements.

b) Transactions with related parties

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for directors and officers of the Company.

The Company shared its office premises with Goldrea Resources Corp. and Nevada Clean Magnesium Inc., companies which share common directors with the Company. In addition, certain personnel are shared between the three companies. Expenses related to the common office facilities are shared among the companies and are allocated according to the relative amount of office space used by each of the companies. The salary and related costs of common personnel are allocated according to the relative time expended on each company.

Included in receivable from related parties at October 31, 2013 is $168,001 receivable from the related company (July 31, 2013 - $487,388).

As at October 31, 2013, $30,456 is payable to the President and CEO for accrued salary (July 31, 2013 - $30,456 payable). The amount is non-interest bearing, unsecured and has no fixed terms of repayment.

Included in accounts payable and accrued liabilities at July 31, 2013 is $24,622 (2012 - $nil) due to a director of the Company.

In October 2012, the Company terminated all employment contracts due to budgetary and financial constraint. The Company calculated severance compensation based on employment contract and length of service as per British Columbia Employment Standards Act. During the fiscal year ended July 31, 2013 the Company recorded compensation liabilities in the amount of $396,019, the balance of which is included in accounts payable and accrued liabilities.

During the year ended July 31, 2013, $71,400 (2012 - $nil) was paid to management and a director of the company for consulting fees.

c) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's Executive Leadership Team. The Executive Leadership Team consists of the CEO and President, a Director and Chief Operating Officer.

Total compensation expense for key management personnel and the composition thereof, is as follows:

		Three-Month Period October 31, 2013		Fiscal Year Ended July 31, 2013
Short term benefits	$	20,680	$	186,540
Termination benefits		-		422,884
Share-based compensation		-		115,545
Carrying amount	$	20,680	$	724,969

Participation in private placement

Paul Hildebrand, a director of the Company, acquired 100,000 units at $0.20 per unit in the private placement completed by the Company in February 2010, 277,777 units at $0.18 per unit in the private placement completed by the Company in August 2010 and 50,000 units at $0.30 per unit in the private placement completed by the Company in February 2011.

Michael Macleod, an officer of the Company, acquired 50,000 units at $0.20 per unit in the private placement completed by the Company in February 2010 and 250,000 units at $0.18 per unit in the private placement completed by the Company in August 2010.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments and other equity-based payments, the value of the premium included in flow-through share issuances and the estimated useful life and recoverability of equipment. Actual results may differ from those estimates and judgments.

Changes in Accounting Policies

Future accounting changes

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

The following IFRS standards were adopted by the Company during the year ended July 31, 2013:

a) IAS 12, Income taxes

IAS 12 removes subjectivity in determining which basis an entity measures the deferred tax relating to an asset. The amendment introduces a presumption that an entity will assess whether the carrying value of an asset will be recovered through the sale of the asset. The amendment to IAS 12 is effective for reporting periods beginning on or after January 1, 2012. Early adoption is permitted. The Company has adopted IAS 12 and there was no impact on its consolidated financial statements.

b) IAS 1, Presentation of Items of Other Comprehensive Income

In 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to split items of other comprehensive income (OCI) between those that are reclassified to income and those that are not. The standard is required to be adopted for periods beginning on or after July 1, 2012. The amendments are to be applied to annual periods beginning on or after July 1, 2012 and may be early adopted. The amendments are to be applied retroactively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The Company has adopted the amendments to IAS 1 and there was no impact on its consolidated financial statements.

Future Accounting Pronouncements

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Company:

a) IFRS 10 – Consolidated Financial Statements

IFRS 10, 'Consolidated Financial Statements' was issued in May 2011 and will supersede the consolidation requirements in SIC-12 'Consolidation – Special Purpose Entities' and IAS 27 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard also provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing the impact of this standard.

b) IFRS 11 – Joint Arrangements

IFRS 11, 'Joint Arrangements' was issued in May 2011 and will supersede existing IAS 31, 'Joint Ventures' effective for annual periods beginning on or after January 1, 2013, with early application permitted. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The Company does not expect this standard to have a significant impact on the financial statements.

c) IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12, 'Disclosure of Interests in Other Entities' was issued in May 2011 and is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after January1, 2013, with earlier application permitted. The Company does not expect this standard to have a significant impact on the financial statements.

d) IFRS 13 – Fair Value Measurement

IFRS 13, 'Fair Value Measurement' was issued in May 2011 and sets out in a single IFRS a framework for measuring fair value. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition of fair value emphasizes that fair value is a market-based measurement, not an entity-specific measurement. In addition, IFRS 13 also requires specific disclosures about fair value measurement. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The Company is currently assessing the impact of this standard.

e) IFRS 9 – Financial Instruments

IFRS 9, 'Financial Instruments' was issued in November 2009 as the first step in its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied starting January 1, 2015, with early adoption permitted. The IASB intends to expand IFRS 9 during the intervening period to add new requirements for classifying and measuring financial liabilities, de-recognition of financial instruments, impairment and hedge accounting. The Company is currently assessing the impact of this standard.

RISK FACTORS RELATING TO THE COMPANY'S BUSINESS

As a company active in the mineral resource exploration and development industry, American Manganese Inc. is exposed to a number of risks.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. Most exploration programs fail to locate a body of commercial ore. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may not be borne out in further exploration work. Few properties which are explored are ever developed into producing mines. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercial ore body. The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate.

In addition, even if the Company is successful in locating a commercial ore body, there is no assurance that the Company will be able to bring such an ore body into commercial production. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the government permits required to exploit a commercial ore body. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

If the Company is able to bring an ore body into commercial production, operating mines also face substantial operating risks, which include, but are not limited to, unusual or unexpected geological conditions, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and inability to obtain adequate machinery, equipment or labour.

If the Company is unsuccessful in its attempts to locate a commercial ore body and to commence commercial production, the Company may seek to transfer its property interests or otherwise realize value, or may even be required to abandon its business and fail as a going concern.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with other companies with greater technical and financing resources than itself with respect to acquire properties of merit, and the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities. Competition in the mining industry could adversely affect the Company's prospects for mineral exploration in the future.

Financial Markets

The Company is dependent on the equity markets as its sole source of operating working capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Environmental and Government Regulation

Mining and exploration activities are subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. The Company has implemented safety and environmental measures designed to comply with government regulations, and to ensure safe, reliable and efficient operations in all phases of its operations. In addition, the Company maintains liability and property insurance, where reasonably available, in such amounts it considers prudent. However, the Company may become subject to liability for hazards against which it cannot insure or which it may elect not to insure against because of high premium costs or other reasons. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a substantial adverse impact on the Company.

Title to Properties

While the Company has investigated the title to all of the properties for which it holds concessions or other mineral leases or licenses or in respect of which it has a right to earn an interest, the Company cannot guarantee that title to such properties will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers under foreign law are often complex. The Company does not carry title insurance on its properties. A successful claim that the Company or its option partner does not have title to a property could cause the Company to lose its rights to that property, perhaps without compensation for its prior expenditures relating to the property.

Foreign Currency

A portion of the Company's expenses are incurred in foreign currencies. Fluctuations in the exchange rate between the Canadian dollar and such other currencies may have a material effect on our business, financial condition and results of operations. The Company does not hedge against foreign currency fluctuations.

ADDITIONAL INFORMATION

Additional information about the Company is available at the website of the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.